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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
SOUTHERN DIVISION

UNITED STATES OF AMERICA,  
Plaintiff,  
v.  
MICHAEL E. BARRI,  
Defendant.

No. SA CR 16-

PLEA AGREEMENT FOR DEFENDANT  
MICHAEL E. BARRI

1. This constitutes the plea agreement between MICHAEL E. BARRI ("defendant") and the United States Attorney's Office for the Central District of California ("the USAO") in the above-captioned case. This agreement is limited to the USAO and cannot bind any other federal, state, local, or foreign prosecuting, enforcement, administrative, or regulatory authorities.

DEFENDANT'S OBLIGATIONS

2. Defendant agrees to:

a. Give up the right to indictment by a grand jury and, at the earliest opportunity requested by the USAO and provided by the Court, appear and plead guilty to a single-count information in the form attached to this agreement as Exhibit A, or a substantially similar form, which charges defendant with Conspiracy to Commit Mail Fraud and Honest Services Mail Fraud, and Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, all in violation of 18 U.S.C. § 371.

b. Not contest facts agreed to in this agreement.

c. Abide by all agreements regarding sentencing contained in this agreement.

d. Appear for all court appearances, surrender as ordered for service of sentence, obey all conditions of any bond, and obey any other ongoing court order in this matter.

e. Not commit any crime; however, offenses that would be excluded for sentencing purposes under United States Sentencing Guidelines ("U.S.S.G." or "Sentencing Guidelines") § 4A1.2(c) are not within the scope of this agreement.

f. Be truthful at all times with Pretrial Services, the United States Probation Office, and the Court.

g. Pay the applicable special assessment at or before the time of sentencing unless defendant lacks the ability to pay and prior to sentencing submits a completed financial statement on a form to be provided by the USAO.

3. Defendant further agrees to cooperate fully with the USAO, the Federal Bureau of Investigation, the United States Postal Service

1 - Office of Inspector General, the Internal Revenue Service, and, as  
2 directed by the USAO, any other federal, state, local, or foreign  
3 prosecuting, enforcement, administrative, or regulatory authority.

4 This cooperation requires defendant to:

5 a. Respond truthfully and completely to all questions  
6 that may be put to defendant, whether in interviews, before a grand  
7 jury, or at any trial or other court proceeding.

8 b. Attend all meetings, grand jury sessions, trials or  
9 other proceedings at which defendant's presence is requested by the  
10 USAO or compelled by subpoena or court order.

11 c. Produce voluntarily all documents, records, or other  
12 tangible evidence relating to matters about which the USAO, or its  
13 designee, inquires.

14 4. For purposes of this agreement: (1) "Cooperation  
15 Information" shall mean any statements made, or documents, records,  
16 tangible evidence, or other information provided, by defendant  
17 pursuant to defendant's cooperation under this agreement or pursuant  
18 to the letter agreement previously entered into by the parties dated  
19 December 14, 2015 (the "Letter Agreement"); and (2) "Plea  
20 Information" shall mean any statements made by defendant, under oath,  
21 at the guilty plea hearing and the agreed to factual basis statement  
22 in this agreement.

23 THE USAO'S OBLIGATIONS

24 5. The USAO agrees to:

25 a. Not contest facts agreed to in this agreement.

26 b. Abide by all agreements regarding sentencing contained  
27 in this agreement.

1           c. At the time of sentencing, provided that defendant  
2 demonstrates an acceptance of responsibility for the offense up to  
3 and including the time of sentencing, recommend a two-level reduction  
4 in the applicable Sentencing Guidelines offense level, pursuant to  
5 U.S.S.G. § 3E1.1, and recommend and, if necessary, move for an  
6 additional one-level reduction if available under that section.

7           d. Except for criminal tax violations (including  
8 conspiracy to commit such violations chargeable under 18 U.S.C.  
9 § 371), not further criminally prosecute defendant for violations  
10 arising out of defendant's conduct described in the agreed-to factual  
11 basis set forth in paragraph 18 below. Defendant understands that  
12 the USAO is free to criminally prosecute defendant for any other  
13 unlawful past conduct or any unlawful conduct that occurs after the  
14 date of this agreement. Defendant agrees that at the time of  
15 sentencing the Court may consider the uncharged conduct in  
16 determining the applicable Sentencing Guidelines range, the propriety  
17 and extent of any departure from that range, and the sentence to be  
18 imposed after consideration of the Sentencing Guidelines and all  
19 other relevant factors under 18 U.S.C. § 3553(a).

20           e. With respect to the single count of the information,  
21 recommend that defendant be sentenced to a term of imprisonment no  
22 higher than the low end of the applicable Sentencing Guidelines  
23 range, provided that the offense level used by the Court to determine  
24 that range is 19 or higher and provided that the Court does not  
25 depart downward in criminal history category. For purposes of this  
26 agreement, the low end of the Sentencing Guidelines range is that  
27 defined by the Sentencing Table in U.S.S.G. Chapter 5, Part A,  
28 without regard to reductions in the term of imprisonment that may be

1 permissible through the substitution of community confinement or home  
2 detention as a result of the offense level falling within Zone B or  
3 Zone C of the Sentencing Table.

4 6. The USAO further agrees:

5 a. Not to offer as evidence in its case-in-chief in the  
6 above-captioned case or any other criminal prosecution that may be  
7 brought against defendant by the USAO, or in connection with any  
8 sentencing proceeding in any criminal case that may be brought  
9 against defendant by the USAO, any Cooperation Information.

10 Defendant agrees, however, that the USAO may use both Cooperation  
11 Information and Plea Information: (1) to obtain and pursue leads to  
12 other evidence, which evidence may be used for any purpose, including  
13 any criminal prosecution of defendant; (2) to cross-examine defendant  
14 should defendant testify, or to rebut any evidence offered, or  
15 argument or representation made, by defendant, defendant's counsel,  
16 or a witness called by defendant in any trial, sentencing hearing, or  
17 other court proceeding; and (3) in any criminal prosecution of  
18 defendant for false statement, obstruction of justice, or perjury.

19 b. Not to use Cooperation Information against defendant  
20 at sentencing for the purpose of determining the applicable guideline  
21 range, including the appropriateness of an upward departure, or the  
22 sentence to be imposed, and to recommend to the Court that  
23 Cooperation Information not be used in determining the applicable  
24 guideline range or the sentence to be imposed. Defendant  
25 understands, however, that Cooperation Information will be disclosed  
26 to the probation office and the Court, and that the Court may use  
27 Cooperation Information for the purposes set forth in U.S.S.G.  
28 § 1B1.8(b) and for determining the sentence to be imposed.

1 c. In connection with defendant's sentencing, to bring to  
2 the Court's attention the nature and extent of defendant's  
3 cooperation.

4 d. If the USAO determines, in its exclusive judgment,  
5 that defendant has both complied with defendant's obligations under  
6 paragraphs 2 and 3 above and provided substantial assistance to law  
7 enforcement in the prosecution or investigation of another  
8 ("substantial assistance"), to move the Court pursuant to U.S.S.G.  
9 § 5K1.1 to fix an offense level and corresponding guideline range  
10 below that otherwise dictated by the sentencing guidelines, and to  
11 recommend a term of imprisonment at the low end of this reduced  
12 range.

13 DEFENDANT'S UNDERSTANDINGS REGARDING COOPERATION

14 7. Defendant understands the following:

15 a. Any knowingly false or misleading statement by  
16 defendant will subject defendant to prosecution for false statement,  
17 obstruction of justice, and perjury and will constitute a breach by  
18 defendant of this agreement.

19 b. Nothing in this agreement requires the USAO or any  
20 other prosecuting, enforcement, administrative, or regulatory  
21 authority to accept any cooperation or assistance that defendant may  
22 offer, or to use it in any particular way.

23 c. Defendant cannot withdraw defendant's guilty plea if  
24 the USAO does not make a motion pursuant to U.S.S.G. § 5K1.1 for a  
25 reduced guideline range or if the USAO makes such a motion and the  
26 Court does not grant it or if the Court grants such a USAO motion but  
27 elects to sentence above the reduced range.



1 d. At this time the USAO makes no agreement or  
2 representation as to whether any cooperation that defendant has  
3 provided or intends to provide constitutes or will constitute  
4 substantial assistance. The decision whether defendant has provided  
5 substantial assistance will rest solely within the exclusive judgment  
6 of the USAO.

7 e. The USAO's determination whether defendant has  
8 provided substantial assistance will not depend in any way on whether  
9 the government prevails at any trial or court hearing in which  
10 defendant testifies or in which the government otherwise presents  
11 information resulting from defendant's cooperation.

12 NATURE OF THE OFFENSE

13 8. Defendant understands that for defendant to be guilty of  
14 the crime charged in the single count of the Information, that is,  
15 Conspiracy to Commit Mail Fraud and Honest Services Mail Fraud, and  
16 Engaging in Monetary Transactions in Property Derived from Specified  
17 Unlawful Activity, all in violation of Title 18, United States Code,  
18 Section 371, the following must be true: (1) Beginning in or around  
19 2009 and continuing through in or around October 2013, there was an  
20 agreement between two or more persons to commit a violation of Title  
21 18, United States Code, Sections 1341 and 1346 (Mail Fraud and Honest  
22 Services Mail Fraud), and Title 18, United States Code, Section 1957  
23 (Engaging in Monetary Transactions in Property Derived from Specified  
24 Unlawful Activity); (2) defendant became a member of the conspiracy  
25 knowing of at least one of its objects and intending to help  
26 accomplish it; and (3) one of the members of the conspiracy performed  
27 at least one overt act for the purpose of carrying out the  
28 conspiracy.

1           9. Defendant understands that Mail Fraud, in violation of  
2 Title 18, United States Code, Section 1341, has the following  
3 elements: (1) the defendant knowingly devised or participated in a  
4 scheme or plan to defraud, or a scheme or plan for obtaining money or  
5 property by means of false or fraudulent pretenses, representations  
6 or promises; (2) the statements made or facts omitted as part of the  
7 scheme were material, that is, they had a natural tendency to  
8 influence, or were capable of influencing, a person to part with  
9 money or property; (3) the defendant acted with the intent to  
10 defraud; and (4) the defendant used, or caused to be used, the mails  
11 to carry out or attempt to carry out an essential part of the scheme.

12           10. Defendant further understands that Honest Services Mail  
13 Fraud, in violation of Title 18, United States Code, Section 1346,  
14 has the following elements: (1) the defendant devised or  
15 participated in a scheme or plan to deprive a patient of his or her  
16 right to honest services; (2) the scheme or plan consisted of a bribe  
17 or kickback in exchange for medical services; (3) a medical  
18 professional person owed a fiduciary duty to the patient; (4) the  
19 defendant acted with the intent to defraud by depriving the patient  
20 of his or her right of honest services; (5) the defendant's act was  
21 material, that is, it had a natural tendency to influence, or was  
22 capable of influencing, a person's acts; and (6) the defendant used,  
23 or caused someone to use, the mails to carry out or attempt to carry  
24 out the scheme or plan.

25           11. Defendant understands that Engaging in Monetary  
26 Transactions in Property Derived from Specified Unlawful Activity, in  
27 violation of Title 18, United States Code, Section 1957, has the  
28 following elements: (1) the defendant knowingly engaged or attempted



1 to engage in a monetary transaction; (2) the defendant knew the  
2 transaction involved criminally derived property; (3) the property  
3 had a value greater than \$10,000; (4) the property was, in fact,  
4 derived from mail fraud; and (5) the transaction occurred in the  
5 United States.

6 PENALTIES AND RESTITUTION

7 12. Defendant understands that the total statutory maximum  
8 sentence that the Court can impose for a violation of Title 18,  
9 United States Code, Section 371, is: 5 years imprisonment; a 3-year  
10 period of supervised release; a fine of \$250,000 or twice the gross  
11 gain or gross loss resulting from the offense, whichever is greatest;  
12 and a mandatory special assessment of \$100.

13 13. Defendant understands that defendant will be required to  
14 pay full restitution to the victims of the offense to which defendant  
15 is pleading guilty. Defendant agrees that, in return for the USAO's  
16 compliance with its obligations under this agreement, the Court may  
17 order restitution to persons other than the victims of the offense to  
18 which defendant is pleading guilty and in amounts greater than those  
19 alleged in the count to which defendant is pleading guilty. In  
20 particular, defendant agrees that the Court may order restitution to  
21 any victim of any of the following for any losses suffered by that  
22 victim as a result: any relevant conduct, as defined in U.S.S.G.  
23 § 1B1.3, in connection with the offense to which defendant is  
24 pleading guilty. The government currently believes that the  
25 applicable amount of restitution is approximately \$206,505, but  
26 recognizes that this amount could change based on facts that come to  
27 the attention of the parties prior to sentencing.

1           14. Defendant understands that supervised release is a period  
2 of time following imprisonment during which defendant will be subject  
3 to various restrictions and requirements. Defendant understands that  
4 if defendant violates one or more of the conditions of any supervised  
5 release imposed, defendant may be returned to prison for all or part  
6 of the term of supervised release authorized by statute for the  
7 offense that resulted in the term of supervised release, which could  
8 result in defendant serving a total term of imprisonment greater than  
9 the statutory maximum stated above.

10           15. Defendant understands that, by pleading guilty, defendant  
11 may be giving up valuable government benefits and valuable civic  
12 rights, such as the right to vote, the right to possess a firearm,  
13 the right to hold office, and the right to serve on a jury.  
14 Defendant understands that once the court accepts defendant's guilty  
15 plea, it will be a federal felony for defendant to possess a firearm  
16 or ammunition. Defendant understands that the conviction in this  
17 case may also subject defendant to various other collateral  
18 consequences, including but not limited to revocation of probation,  
19 parole, or supervised release in another case and suspension or  
20 revocation of a professional license. Defendant understands that  
21 unanticipated collateral consequences will not serve as grounds to  
22 withdraw defendant's guilty plea.

23           16. Defendant understands that, if defendant is not a United  
24 States citizen, the felony conviction in this case may subject  
25 defendant to: removal, also known as deportation, which may, under  
26 some circumstances, be mandatory; denial of citizenship; and denial  
27 of admission to the United States in the future. The court cannot,  
28 and defendant's attorney also may not be able to, advise defendant

1 fully regarding the immigration consequences of the felony conviction  
2 in this case. Defendant understands that unexpected immigration  
3 consequences will not serve as grounds to withdraw defendant's guilty  
4 plea.

5 FACTUAL BASIS

6 17. Defendant admits that defendant is, in fact, guilty of the  
7 offense to which defendant is agreeing to plead guilty. Defendant  
8 and the USAO agree to the statement of facts provided below and agree  
9 that this statement of facts is sufficient to support a plea of  
10 guilty to the charge described in this agreement and to establish the  
11 Sentencing Guidelines factors set forth in paragraph 18 below but is  
12 not meant to be a complete recitation of all facts relevant to the  
13 underlying criminal conduct or all facts known to either party that  
14 relate to that conduct.

15 **A. Kickbacks for Referrals to Pacific Hospital**

16 Beginning in or around 2009 and continuing to in or around  
17 October 2013, in Orange and Los Angeles Counties, within the Central  
18 District of California, and elsewhere, defendant and Michael D.  
19 Drobot ("Drobot"), together with other co-conspirators known and  
20 unknown to the United States Attorney, knowingly combined, conspired,  
21 and agreed to commit the following offenses against the United  
22 States: Mail Fraud and Honest Services Mail Fraud, in violation of  
23 Title 18, United States Code, Sections 1341 and 1346, and Engaging in  
24 Monetary Transactions in Property Derived from Specified Unlawful  
25 Activity, in violation of Title 18, United States Code, Section 1957.

26 Specifically, beginning in 2009, defendant agreed to refer  
27 workers' compensation patients, or to cause workers' compensation  
28 patients to be referred, to Pacific Hospital of Long Beach ("Pacific

1 Hospital"), owned and/or operated by Drobot, for spinal surgeries and  
2 other medical services, in exchange for illegal kickbacks offered and  
3 paid by Drobot and others through companies Drobot owned and/or  
4 controlled. Defendant, Drobot, and others concealed the kickbacks  
5 from both defendant's patients and the insurance carriers that paid  
6 for the services, and entered into bogus contracts under which  
7 defendant purported to provide services to Drobot's companies to  
8 justify the kickback payments.

9 Defendant, a licensed chiropractor, owned and operated Tri-Star  
10 Medical Group ("Tri-Star"), a medical clinic located in Santa Ana,  
11 California which specialized in treating workers' compensation  
12 patients. Defendant also owned, operated, and/or controlled Jojaso  
13 Management Company, Inc. ("Jojaso"), a medical group management  
14 company based in Santa Ana, California.

15 In 2009, Drobot solicited defendant to refer Tri-Star's workers'  
16 compensation patients to Pacific Hospital for spinal surgeries and  
17 other medical services in return for kickback payments. Defendant  
18 agreed. In order to conceal the kickback payments defendant and  
19 Drobot expected would be made, defendant, on behalf of Jojaso,  
20 entered into an Outsourced Collection Agreement with Pacific  
21 Hospital, effective April 17, 2009 (the "2009 Collection Agreement").  
22 Under the terms of the 2009 Collection Agreement, Jojaso purported to  
23 provide collection services to Pacific Hospital in return for a  
24 payment of fifteen percent (15%) of any amount paid by insurance  
25 carriers to Pacific Hospital for spinal surgeries referred by  
26 defendant. Neither defendant nor Drobot believed the 2009 Collection  
27 Agreement was a legitimate contract for collection services; instead,  
28

1 the 2009 Collection Agreement was merely a cover story to conceal the  
2 planned kickback payments.

3 In 2011, after defendant did not cause any patients to be  
4 referred to Pacific Hospital pursuant to the 2009 Collection  
5 Agreement, Attorney A, on behalf of Pacific Hospital, solicited  
6 defendant to enter into a new agreement under which defendant would  
7 refer patients to Pacific Hospital in return for kickbacks. In or  
8 around June 2011, after meeting with Drobot and Attorney A, defendant  
9 entered into a second Outsourced Collection Agreement with Pacific  
10 Hospital (the "2011 Collection Agreement" and collectively with the  
11 2009 Collection Agreement, the "Collection Agreements"). The terms  
12 of the 2011 Collection Agreement mirrored the terms of the 2009  
13 Collection Agreement, but also provided that Jojaso would be paid its  
14 fifteen percent collection fee within sixty days of the surgery,  
15 regardless of whether any monies had yet been paid to Pacific  
16 Hospital by insurance carriers. Shortly after entering into the 2011  
17 Collection Agreement, Jojaso received a \$10,000 payment from Pacific  
18 Hospital as a "deposit" for agreeing to refer patients to Pacific  
19 Hospital. However, between July 2011 and February 2012, defendant  
20 did not refer any patients to Pacific Hospital under the 2011  
21 Collection Agreement.

22 In or around January 2012, at defendant's request, Drobot agreed  
23 to increase the amount paid to Jojaso for patients defendant referred  
24 to Pacific Hospital from fifteen percent to twenty-five percent  
25 (25%). Accordingly, on or about January 27, 2012, defendant and  
26 Drobot amended the terms of the 2011 Collection Agreement to reflect  
27 the increased kickback amount, while also removing the provision  
28 requiring Pacific Hospital to make payments to defendant within sixty

1 days of surgery, regardless of whether any monies had actually been  
2 collected by Pacific Hospital. Defendant then began referring Tri-  
3 Star's workers' compensation patients to Pacific Hospital. Between  
4 November 2012 and July 2013, defendant received \$158,555.98 in  
5 kickbacks in return for the referral of twelve patients to Pacific  
6 Hospital, which Pacific Hospital paid to defendant only after Pacific  
7 Hospital had collected from insurance carriers. Those surgeries were  
8 performed primarily by Surgeon A and Surgeon B, spinal surgeons who  
9 were affiliated with Tri-Star.

10 As defendant and Drobot knew, the Collection Agreements were  
11 bogus contracts designed to conceal the kickback payments made to  
12 defendant by Drobot. Jojaso performed and documented some limited  
13 collection-related activities on behalf of Pacific Hospital, but only  
14 for the purpose of creating an appearance that legitimate collection  
15 services had been provided.

16 In addition to kickback payments received pursuant to the  
17 Collection Agreement, defendant also received kickbacks from Drobot  
18 by means of a below-market rate lease of medical office space. On or  
19 about May 1, 2012, Jojaso entered into a sublease agreement with  
20 Pacific Hospital pursuant to which Jojaso subleased medical office  
21 space at 2609 Pacific Avenue, Suite 300, Long Beach, California (the  
22 "Pacific Avenue Office") for \$2,000 per month (the "Sublease  
23 Agreement"). Pacific Hospital leased the Pacific Avenue Office for  
24 \$5,162.50 per month. While defendant did not know the precise amount  
25 Pacific Hospital paid to lease the Pacific Avenue Office, defendant  
26 knew that the fair market value of the Pacific Avenue Office clearly  
27 exceeded \$2,000 per month. Defendant further understood that Drobot  
28 entered into the Sublease Agreement at the below-market rate in



1 return for defendant's referral of workers' compensation patients to  
2 Pacific Hospital. In total, between May 2012 and April 2013,  
3 defendant was not required to pay to Drobot \$37,950 that would have  
4 otherwise been owed had the Sublease Agreement called for payment of  
5 market-rate rent.

6 In total, between 2009 and 2013, through the Collection  
7 Agreements and the Sublease Agreement, defendant received from  
8 Drobot, Pacific Hospital, and entities under Drobot's control,  
9 approximately \$206,505.98 in return for defendant's referral of  
10 patients to Pacific Hospital for spinal surgeries and other medical  
11 services. In turn, Pacific Hospital billed insurance carriers  
12 approximately \$3.9 million for spinal surgeries and other medical  
13 services performed on patients referred to Pacific Hospital by  
14 defendant.

15 Defendant knew that it was illegal to accept the kickbacks  
16 discussed above. Further, defendant knew that Pacific Hospital would  
17 submit claims by mail and electronically to workers' compensation  
18 insurance carriers for the services that resulted from the referrals  
19 induced by the payment of kickbacks; and defendant knew that Pacific  
20 Hospital would receive by mail payments from the workers'  
21 compensation insurance carrier as reimbursement for the claims.  
22 Defendant also knew that, if the insurance carriers had known that  
23 the spinal surgeries for which they were billed resulted from  
24 referrals induced by such kickbacks, those insurance carriers would  
25 not have paid the claims or would have paid a lesser amount.  
26 Moreover, defendant knew that, if his patients had known that he was  
27 receiving such kickbacks, they may have chosen not to obtain the  
28

1 medical services recommended, or may have chosen to be treated by  
2 different medical professionals or at a different hospital.

3 At all times during the conspiracy, defendant knew that his co-  
4 conspirators would send various items through the mail in furtherance  
5 of the conspiracy.

6 In furtherance of the conspiracy and to accomplish the objects  
7 of the conspiracy, defendant and other co-conspirators committed  
8 various overt acts within the Central District of California,  
9 including but not limited to the following:

10 Overt Act No. 1

11 On or about April 17, 2009, defendant caused Jojaso to enter  
12 into an Outsourced Collection Agreement with Pacific Hospital, under  
13 which Jojaso would be paid fifteen percent of any monies collected by  
14 Pacific Hospital on patients referred for surgery to Pacific Hospital  
15 by defendant.

16 Overt Act No. 2

17 On July 13, 2009, defendant sent an email message to Drobot  
18 inquiring about obtaining credentials for Surgeon C to perform spinal  
19 surgeries at Pacific Hospital.

20 Overt Act No. 3

21 On or about June 14, 2011, defendant caused Jojaso to enter into  
22 an Outsourced Collection Agreement with Pacific Hospital under which  
23 Jojaso would be paid, within sixty days of surgery, fifteen percent  
24 of any monies collected, or estimated to be collected, on patients  
25 referred for surgery to Pacific Hospital by defendant.

26 Overt Act No. 4

27 On or about June 16, 2011, defendant sent an email message to  
28 Drobot and Attorney A informing Drobot and Attorney A that the

1 surgery to be performed at Pacific Hospital on June 22, 2011 by  
2 Surgeon D was the result of a referral by defendant.

3 Overt Act No. 5

4 On or about January 27, 2012, defendant caused Jojaso to enter  
5 into Amendment One to Outsourced Collection Agreement, increasing the  
6 collection fee paid to Jojaso to twenty-five percent of any monies  
7 collected on patients referred for surgery to Pacific Hospital by  
8 defendant.

9 Overt Act No. 6

10 On or about May 1, 2012, defendant caused Jojaso to enter into a  
11 Medical Office Sublease with Pacific Hospital for the medical office  
12 located at 2690 Pacific Avenue, Suite 300, Long Beach, California.

13 Overt Act No. 7

14 On or about June 11, 2012, defendant sent to Attorney A an  
15 invoice purported to be for collection services performed by Jojaso  
16 related to a spinal surgery performed on Patient A at Pacific  
17 Hospital.

18 Overt Act No. 8

19 On or about November 28, 2012, Pacific Hospital sent to Jojaso a  
20 check for \$3,143 in connection with defendant's referral of Patient A  
21 to Pacific Hospital for spinal surgery.

22 Overt Act No. 9

23 On or about May 29, 2013, Pacific Hospital sent to Jojaso a  
24 check for \$26,248.03.

25 Overt Act No. 10

26 On or about June 14, 2012, Pacific Hospital sent to Jojaso a  
27 check for \$20,036.89.

1        Overt Act No. 11

2        On or about July 2, 2013, Pacific Hospital sent to Jojaso a  
3        check for \$25,613.93.

4        **B. Kickbacks for Referrals to Tri-City Medical Center**

5        Defendant also received kickback payments for referring workers'  
6        compensation patients to Tri-City Medical Center in Hawaiian Gardens,  
7        California ("Tri-City") for spinal surgeries and other medical  
8        procedures. Defendant was introduced to Executive A of Tri-City by  
9        Paul Randall, a health care marketer. Defendant and Executive A  
10       agreed that Tri-City would pay kickbacks to defendant in exchange for  
11       defendant's referrals to Tri-City. To facilitate the kickback  
12       arrangement, defendant entered into a collection agreement with Tri-  
13       City (the "Tri-City Collection Agreement") that called for defendant  
14       to be paid twelve and one-half percent (12.5%) of any amount  
15       collected for medical services provided to patients referred by  
16       defendant. Based on his conversation with Executive A, defendant  
17       knew that the Tri-City Collection Agreement, like the Collection  
18       Agreements later entered into with Drobot and Pacific Hospital, was a  
19       bogus contract, and that defendant was not required to perform  
20       legitimate collection activities in order to earn the purported  
21       collection fee and to be paid for referrals. When defendant first  
22       sought payment for referrals from Tri-City, however, Attorney B  
23       advised defendant that, in order for defendant to be paid for his  
24       referrals, defendant was required to create documentation designed to  
25       show that defendant performed some collection-related activities,  
26       even though the payment to defendant was for defendant's referrals.  
27       Defendant thereafter began maintaining documentation as instructed by  
28       Attorney B.

Pursuant to his agreement with Executive A, defendant referred workers' compensation patients to Surgeon B, Surgeon C, and others for surgeries to be performed at Tri-City. In return for those referrals, defendant received kickback payments from both Tri-City and Randall.

#### SENTENCING FACTORS

18. Defendant understands that in determining defendant's sentence the Court is required to calculate the applicable Sentencing Guidelines range and to consider that range, possible departures under the Sentencing Guidelines, and the other sentencing factors set forth in 18 U.S.C. § 3553(a). Defendant understands that the Sentencing Guidelines are advisory only, that defendant cannot have any expectation of receiving a sentence within the calculated Sentencing Guidelines range, and that after considering the Sentencing Guidelines and the other § 3553(a) factors, the Court will be free to exercise its discretion to impose any sentence it finds appropriate up to the maximum set by statute for the crime of conviction. Defendant and the USAO agree to the following applicable Sentencing Guidelines factors:

Base Offense Level:           6   [U.S.S.G. § 2B1.1(a)(2)]

Specific Offense  
Characteristics:

Loss between                   +10   [U.S.S.G. § 2B1.1(b)(1)(F)]  
\$150,000-\$250,000

Abuse of Trust               +2   [U.S.S.G. § 3B1.3]

Upward Departure:       +2   [U.S.S.G. § 5K2.0]

The USAO will agree to a two-level downward adjustment for acceptance of responsibility (and, if applicable, move for an additional one-level downward adjustment under U.S.S.G. § 3E1.1(b)) only if the

1 conditions set forth in paragraph 5(c)) are met. Defendant and the  
2 USAO reserve the right to argue that additional specific offense  
3 characteristics, adjustments, and departures under the Sentencing  
4 Guidelines are appropriate.

5 19. Defendant understands that there is no agreement as to  
6 defendant's criminal history or criminal history category.

7 20. Defendant and the USAO reserve the right to argue for a  
8 sentence outside the sentencing range established by the Sentencing  
9 Guidelines based on the factors set forth in 18 U.S.C. § 3553(a)(1),  
10 (a)(2), (a)(3), (a)(6), and (a)(7).

11 WAIVER OF CONSTITUTIONAL RIGHTS

12 21. Defendant understands that by pleading guilty, defendant  
13 gives up the following rights:

14 a. The right to persist in a plea of not guilty.

15 b. The right to a speedy and public trial by jury.

16 c. The right to be represented by counsel - and if  
17 necessary have the court appoint counsel - at trial. Defendant  
18 understands, however, that, defendant retains the right to be  
19 represented by counsel - and if necessary have the court appoint  
20 counsel - at every other stage of the proceeding.

21 d. The right to be presumed innocent and to have the  
22 burden of proof placed on the government to prove defendant guilty  
23 beyond a reasonable doubt.

24 e. The right to confront and cross-examine witnesses  
25 against defendant.

26 f. The right to testify and to present evidence in  
27 opposition to the charges, including the right to compel the  
28 attendance of witnesses to testify.



1           g. The right not to be compelled to testify, and, if  
2 defendant chose not to testify or present evidence, to have that  
3 choice not be used against defendant.

4           h. Any and all rights to pursue any affirmative defenses,  
5 Fourth Amendment or Fifth Amendment claims, and other pretrial  
6 motions that have been filed or could be filed.

7                           WAIVER OF APPEAL OF CONVICTION

8           22. Defendant understands that, with the exception of an appeal  
9 based on a claim that defendant's guilty plea was involuntary, by  
10 pleading guilty defendant is waiving and giving up any right to  
11 appeal defendant's conviction on the offense to which defendant is  
12 pleading guilty.

13                           LIMITED MUTUAL WAIVER OF APPEAL OF SENTENCE

14           23. Defendant agrees that, provided the Court imposes a total  
15 term of imprisonment on all counts of conviction of no more than the  
16 low end of the Guidelines range corresponding to a total offense  
17 level of 19 and defendant's criminal history category, defendant  
18 gives up the right to appeal all of the following: (a) the procedures  
19 and calculations used to determine and impose any portion of the  
20 sentence; (b) the term of imprisonment imposed by the Court; (c) the  
21 fine imposed by the court, provided it is within the statutory  
22 maximum; (d) the amount and terms of any restitution order, provided  
23 it requires payment of no more than \$206,505; (e) the term of  
24 probation or supervised release imposed by the Court, provided it is  
25 within the statutory maximum; and (f) any of the following conditions  
26 of probation or supervised release imposed by the Court: the  
27 conditions set forth in General Orders 318, 01-05, and/or 05-02 of  
28 this Court; the drug testing conditions mandated by 18 U.S.C.

1 §§ 3563(a)(5) and 3583(d); and the alcohol and drug use conditions  
2 authorized by 18 U.S.C. § 3563(b)(7).

3 24. The USAO agrees that, provided (a) all portions of the  
4 sentence are at or below the statutory maximum specified above and  
5 (b) the Court imposes a term of imprisonment of no less than the low  
6 end of the Guidelines range corresponding to a total offense level of  
7 19 and defendant's criminal history category, the USAO gives up its  
8 right to appeal any portion of the sentence, with the exception that  
9 the USAO reserves the right to appeal the following: the amount of  
10 restitution ordered, if that amount is less than \$206,505.

11 RESULT OF WITHDRAWAL OF GUILTY PLEA

12 25. Defendant agrees that if, after entering a guilty plea  
13 pursuant to this agreement, defendant seeks to withdraw and succeeds  
14 in withdrawing defendant's guilty plea on any basis other than a  
15 claim and finding that entry into this plea agreement was  
16 involuntary, then (a) the USAO will be relieved of all of its  
17 obligations under this agreement, including in particular its  
18 obligations regarding the use of Cooperation Information; (b) in any  
19 investigation, criminal prosecution, or civil, administrative, or  
20 regulatory action, defendant agrees that any Cooperation Information  
21 and any evidence derived from any Cooperation Information shall be  
22 admissible against defendant, and defendant will not assert, and  
23 hereby waives and gives up, any claim under the United States  
24 Constitution, any statute, or any federal rule, that any Cooperation  
25 Information or any evidence derived from any Cooperation Information  
26 should be suppressed or is inadmissible.

EFFECTIVE DATE OF AGREEMENT

26. This agreement is effective upon signature and execution of all required certifications by defendant, defendant's counsel, and an Assistant United States Attorney.

BREACH OF AGREEMENT

27. Defendant agrees that if defendant, at any time after the signature of this agreement and execution of all required certifications by defendant, defendant's counsel, and an Assistant United States Attorney, knowingly violates or fails to perform any of defendant's obligations under this agreement ("a breach"), the USAO may declare this agreement breached. For example, if defendant knowingly, in an interview, before a grand jury, or at trial, falsely accuses another person of criminal conduct or falsely minimizes defendant's own role, or the role of another, in criminal conduct, defendant will have breached this agreement. All of defendant's obligations are material, a single breach of this agreement is sufficient for the USAO to declare a breach, and defendant shall not be deemed to have cured a breach without the express agreement of the USAO in writing. If the USAO declares this agreement breached, and the Court finds such a breach to have occurred, then:

a. If defendant has previously entered a guilty plea pursuant to this agreement, defendant will not be able to withdraw the guilty plea.

b. The USAO will be relieved of all its obligations under this agreement; in particular, the USAO: (i) will no longer be bound by any agreements concerning sentencing and will be free to seek any sentence up to the statutory maximum for the crime to which defendant has pleaded guilty; and (ii) will no longer be bound by any agreement

1 regarding the use of Cooperation Information and will be free to use  
2 any Cooperation Information in any way in any investigation, criminal  
3 prosecution, or civil, administrative, or regulatory action.

4 c. The USAO will be free to criminally prosecute  
5 defendant for false statement, obstruction of justice, and perjury  
6 based on any knowingly false or misleading statement by defendant.

7 d. In any investigation, criminal prosecution, or civil,  
8 administrative, or regulatory action: (i) defendant will not assert,  
9 and hereby waives and gives up, any claim that any Cooperation  
10 Information was obtained in violation of the Fifth Amendment  
11 privilege against compelled self-incrimination; and (ii) defendant  
12 agrees that any Cooperation Information and any Plea Information, as  
13 well as any evidence derived from any Cooperation Information or any  
14 Plea Information, shall be admissible against defendant, and  
15 defendant will not assert, and hereby waives and gives up, any claim  
16 under the United States Constitution, any statute, Rule 410 of the  
17 Federal Rules of Evidence, Rule 11(f) of the Federal Rules of  
18 Criminal Procedure, or any other federal rule, that any Cooperation  
19 Information, any Plea Information, or any evidence derived from any  
20 Cooperation Information or any Plea Information should be suppressed  
21 or is inadmissible.

22 COURT AND PROBATION OFFICE NOT PARTIES

23 28. Defendant understands that the Court and the United States  
24 Probation Office are not parties to this agreement and need not  
25 accept any of the USAO's sentencing recommendations or the parties'  
26 agreements to facts or sentencing factors.

27 29. Defendant understands that both defendant and the USAO are  
28 free to: (a) supplement the facts by supplying relevant information

1 to the United States Probation Office and the Court, (b) correct any  
2 and all factual misstatements relating to the Court's Sentencing  
3 Guidelines calculations and determination of sentence, and (c) argue  
4 on appeal and collateral review that the Court's Sentencing  
5 Guidelines calculations and the sentence it chooses to impose are not  
6 error, although each party agrees to maintain its view that the  
7 calculations in paragraph 20 are consistent with the facts of this  
8 case. While this paragraph permits both the USAO and defendant to  
9 submit full and complete factual information to the United States  
10 Probation Office and the Court, even if that factual information may  
11 be viewed as inconsistent with the facts agreed to in this agreement,  
12 this paragraph does not affect defendant's and the USAO's obligations  
13 not to contest the facts agreed to in this agreement.

14 30. Defendant understands that even if the Court ignores any  
15 sentencing recommendation, finds facts or reaches conclusions  
16 different from those agreed to, and/or imposes any sentence up to the  
17 maximum established by statute, defendant cannot, for that reason,  
18 withdraw defendant's guilty plea, and defendant will remain bound to  
19 fulfill all defendant's obligations under this agreement. Defendant  
20 understands that no one -- not the prosecutor, defendant's attorney,  
21 or the Court -- can make a binding prediction or promise regarding  
22 the sentence defendant will receive, except that it will be within  
23 the statutory maximum.

24 NO ADDITIONAL AGREEMENTS

25 31. Defendant understands that, except as set forth herein,  
26 there are no promises, understandings, or agreements between the USAO  
27 and defendant or defendant's attorney, and that no additional  
28

1 promise, understanding, or agreement may be entered into unless in a  
2 writing signed by all parties or on the record in court.


3 PLEA AGREEMENT PART OF THE GUILTY PLEA HEARING

4 32. The parties agree that this agreement will be considered  
5 part of the record of defendant's guilty plea hearing as if the  
6 entire agreement had been read into the record of the proceeding.

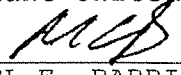
7 AGREED AND ACCEPTED

8 UNITED STATES ATTORNEY'S OFFICE  
9 FOR THE CENTRAL DISTRICT OF  
CALIFORNIA

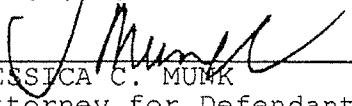
10 EILEEN M. DECKER  
11 United States Attorney

12   
13 SCOTT D. TENLEY  
Assistant United States Attorney

1/21/16  
Date

14   
15 MICHAEL E. BARRI  
Defendant

1/20/2016  
Date

16   
17 JESSICA C. MUNK  
Attorney for Defendant MICHAEL E.  
18 BARRI


1/20/16  
Date

19  
20  
21  
22 CERTIFICATION OF DEFENDANT

23 I have read this agreement in its entirety. I have had enough  
24 time to review and consider this agreement, and I have carefully and  
25 thoroughly discussed every part of it with my attorney. I understand  
26 the terms of this agreement, and I voluntarily agree to those terms.  
27 I have discussed the evidence with my attorney, and my attorney has  
28 advised me of my rights, of possible pretrial motions that might be



1 filed, of possible defenses that might be asserted either prior to or  
 2 at trial, of the sentencing factors set forth in 18 U.S.C. § 3553(a),  
 3 of relevant Sentencing Guidelines provisions, and of the consequences  
 4 of entering into this agreement. No promises, inducements, or  
 5 representations of any kind have been made to me other than those  
 6 contained in this agreement. No one has threatened or forced me in  
 7 any way to enter into this agreement. I am satisfied with the  
 8 representation of my attorney in this matter, and I am pleading  
 9 guilty because I am guilty of the charges and wish to take advantage  
 10 of the promises set forth in this agreement, and not for any other  
 11 reason.

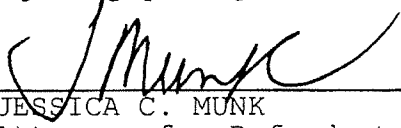
12   
 13 MICHAEL E. BARRI  
 14 Defendant

15 1/20/2016  
 16 Date

17 CERTIFICATION OF DEFENDANT'S ATTORNEY

18 I am MICHAEL E. BARRI's attorney. I have carefully and  
 19 thoroughly discussed every part of this agreement with my client.  
 20 Further, I have fully advised my client of his rights, of possible  
 21 pretrial motions that might be filed, of possible defenses that might  
 22 be asserted either prior to or at trial, of the sentencing factors  
 23 set forth in 18 U.S.C. § 3553(a), of relevant Sentencing Guidelines  
 24 provisions, and of the consequences of entering into this agreement.  
 25 To my knowledge: no promises, inducements, or representations of any  
 26 kind have been made to my client other than those contained in this  
 27 agreement; no one has threatened or forced my client in any way to  
 28 enter into this agreement; my client's decision to enter into this  
 agreement is an informed and voluntary one; and the factual basis set

1 forth in this agreement is sufficient to support my client's entry of  
2 a guilty plea pursuant to this agreement.

3   
4 JESSICA C. MUNK  
5 Attorney for Defendant MICHAEL E.  
6 BARRI

1/20/16  
Date

**EXHIBIT A**

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8 UNITED STATES DISTRICT COURT  
9 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
10 SOUTHERN DIVISION

11 UNITED STATES OF AMERICA,

12 Plaintiff,

13 v.

14 MICHAEL E. BARRI,

15 Defendant.  
16  
17

SA CR No. 16-

I N F O R M A T I O N

[18 U.S.C. § 371: Conspiracy]

18 The United States Attorney charges:

19 [18 U.S.C. § 371]

20 A. INTRODUCTORY ALLEGATIONS

21 At all times relevant to this Information:

22 1. Healthsmart Pacific Inc., doing business as Pacific  
23 Hospital of Long Beach ("Pacific Hospital"), was a hospital located  
24 in Long Beach, California, specializing in surgeries, particularly  
25 spinal and orthopedic surgeries. From at least in or around 1997 to  
26 October 2013, Pacific Hospital was owned and/or operated by Michael  
27 D. Drobot ("Drobot") and Executive A.  
28

1           2. Defendant MICHAEL E. BARRI ("defendant BARRI") was a  
2 chiropractor who owned and operated Tri-Star Medical Group ("Tri-  
3 Star"), a medical clinic located in Santa Ana, California  
4 specializing in treating workers' compensation patients.

5           3. Defendant BARRI also operated and controlled Jojaso  
6 Management Company, Inc. ("Jojaso"), a medical group management  
7 company based in Santa Ana, California.

8           4. The California Workers' Compensation System ("CWCS") was a  
9 system created by California law to provide insurance covering  
10 treatment of injury or illness suffered by individuals in the course  
11 of their employment. Under the CWCS, employers were required to  
12 purchase workers' compensation insurance policies from insurance  
13 carriers to cover their employees. When an employee suffered a  
14 covered injury or illness and received medical services, the medical  
15 service provider submitted a claim for payment to the relevant  
16 insurance carrier, which then paid the claim. Claims were submitted  
17 to and paid by the insurance carriers either by mail or  
18 electronically. The CWCS was governed by various California laws and  
19 regulations.

20           5. The California State Compensation Insurance Fund ("SCIF")  
21 was a non-profit insurance carrier, created by the California  
22 Legislature, that provided workers' compensation insurance to  
23 employees in California, including serving as the "insurer of last  
24 resort" under the CWCS system for employees without any other  
25 coverage.

26           6. California law, including but not limited to the California  
27 Business and Professions Code, the California Insurance Code, and the  
28 California Labor Code, prohibited the offering, delivering,

1 soliciting, or receiving of anything of value in return for referring  
2 a patient for medical services.

3 7. The Federal Employees' Compensation Act ("FECA") provided  
4 benefits to civilian employees of the United States, including United  
5 States Postal Service employees, for medical expenses and wage-loss  
6 disability due to a traumatic injury or occupational disease  
7 sustained while working as a federal employee. Benefits available to  
8 injured employees included rehabilitation, medical, surgical,  
9 hospital, pharmaceutical, and supplies for treatment of an  
10 injury. The Department of Labor ("DOL") - Office of Workers'  
11 Compensation Programs ("OWCP") was the governmental body responsible  
12 for administering the FECA. When a federal employee suffered a  
13 covered injury or illness and received medical services, the medical  
14 service provider submitted a claim for payment by mail or  
15 electronically to Affiliated Computer Services ("ACS"), located in  
16 London, Kentucky, which was contracted with the DOL to handle such  
17 claims. Upon approval of the claim, ACS sent payment by mail or  
18 electronic funds transfer from the U.S. Treasury in Philadelphia,  
19 Pennsylvania, to the medical service provider.

20 8. Federal law prohibited the offering, delivering,  
21 soliciting, or receiving of anything of value in return for referring  
22 a patient for medical services paid for by a federal health care  
23 benefit program.

24 B. OBJECTS OF THE CONSPIRACY

25 9. Beginning on a date unknown but at least as early as in or  
26 around 2009, and continuing through at least in or around April 2013,  
27 in Orange and Los Angeles Counties, within the Central District of  
28 California, and elsewhere, defendant BARRI and Drobot, together with



1 others known and unknown to the United States Attorney, knowingly  
2 combined, conspired, and agreed to commit the following offenses  
3 against the United States: Mail Fraud and Honest Services Mail  
4 Fraud, in violation of Title 18, United States Code, Sections 1341  
5 and 1346; and Engaging in Monetary Transactions in Property Derived  
6 from Specified Unlawful Activity, in violation of Title 18, United  
7 States Code, Section 1957.

8 C. MANNER AND MEANS OF THE CONSPIRACY

9 10. The objects of the conspiracy were to be carried out, and  
10 were carried out, in the following ways, among others:

11 a. Drobot and other co-conspirators offered to pay  
12 kickbacks to defendant BARRI and other doctors, chiropractors,  
13 workers' compensation and personal injury attorneys, marketers, and  
14 others in return for referring workers' compensation patients to  
15 Pacific Hospital for spinal surgeries, other types of surgeries,  
16 magnetic resonance imaging, toxicology, durable medical equipment,  
17 and other services, to be paid through FECA and the CWCS. For spinal  
18 surgeries, typically, Drobot offered to pay a kickback of \$15,000 per  
19 lumbar fusion surgery and \$10,000 per cervical fusion surgery,  
20 provided that equipment distributed through International Implants  
21 was used in the surgery.

22 b. Influenced by the promise of kickbacks, defendant  
23 BARRI and other doctors, chiropractors, workers' compensation and  
24 personal injury attorneys, marketers, and others referred patients  
25 insured through the CWCS and the FECA to Pacific Hospital for spinal  
26 surgeries, other types of surgeries, and other medical services. In  
27 some cases, defendant BARRI and other doctors, chiropractors, or  
28 others referred patients to spinal surgeons, who understood that the

1 referrals were conditioned on the spinal surgeons' performing the  
2 surgeries at Pacific Hospital. The workers' compensation patients  
3 were not informed that the medical professionals had been offered  
4 kickbacks to induce them to refer the surgeries and other medical  
5 services to Pacific Hospital. That information would have been  
6 material to those patients, to whom defendant BARRI and other doctors  
7 owed a fiduciary duty to disclose any financial conflicts of  
8 interest.

9 c. The surgeries and other medical services were  
10 performed on the referred workers' compensation patients at Pacific  
11 Hospital.

12 d. Pacific Hospital submitted claims, by mail and  
13 electronically, to SCIF and other workers' compensation insurance  
14 carriers for payment of the costs of the surgeries and other medical  
15 services.

16 e. As defendant BARRI and the other co-conspirators knew  
17 and intended, and as was reasonably foreseeable to them, in  
18 submitting claims for payment, Pacific Hospital concealed material  
19 information from SCIF and other workers' compensation insurance  
20 carriers, including the fact that Pacific Hospital did not disclose  
21 to the insurance carriers that it had offered or paid kickbacks for  
22 the referral of the surgeries and other medical services for which it  
23 was submitting claims.

24 f. The insurance carriers paid Pacific Hospital's claims,  
25 by mail or electronically.

26 g. Drobot and others paid and caused others to pay  
27 kickbacks to defendant BARRI and other doctors, chiropractors,  
28

1 marketers, and others who had referred patients to Pacific Hospital  
2 for surgeries and other medical services.

3 h. To conceal the nature of the kickback payments from  
4 both workers' compensation insurance carriers and patients, Drobot,  
5 through one of the companies he owned and/or operated, entered into  
6 bogus contracts with the doctors, chiropractors, including defendant  
7 BARRI, marketers, and others. The services discussed in those  
8 contracts were, in fact, generally not provided; rather, the  
9 compensation paid was based on the number and type of surgeries and  
10 other medical services referred to Pacific Hospital. Defendant BARRI  
11 and Drobot entered into the following bogus contracts in order to  
12 hide the kickback payments: a collections agreement and a lease  
13 agreement.

14 i. Drobot and others kept records of the number of  
15 surgeries and other medical services performed at Pacific Hospital  
16 due to referrals from the kickback recipients, as well as amounts  
17 paid to the kickback recipients for those referrals. Periodically,  
18 Drobot and others amended the bogus contracts with the kickback  
19 recipients to increase or decrease the amount of agreed compensation  
20 described in the contracts, in order to match the amount of kickbacks  
21 paid or promised in return for referrals.

22 D. EFFECTS OF THE CONSPIRACY

23 11. Had SCIF and the other workers' compensation insurance  
24 carriers known the true facts regarding the payment of kickbacks for  
25 the referral of workers' compensation patients for surgeries and  
26 other medical services performed at Pacific Hospital, they would not  
27 have paid the claims or would have paid a lesser amount.

1           12. From 2005 to in or around April 2013, Pacific Hospital  
2 billed workers' compensation insurance carriers approximately \$580  
3 million in claims for spinal surgeries that were the result of the  
4 payment of a kickback; and Drobot and other co-conspirators paid  
5 kickback recipients between approximately \$20 million and \$50 million  
6 in kickbacks relating to those claims.

7       E.   OVERT ACTS

8           13. On or about the following dates, in furtherance of the  
9 conspiracy and to accomplish the objects of the conspiracy, defendant  
10 BARRI and other co-conspirators known and unknown to the United  
11 States Attorney, committed various overt acts within the Central  
12 District of California, and elsewhere, including, but not limited to,  
13 the following:

14       Overt Act No. 1:     On or about April 17, 2009, defendant BARRI  
15 caused Jojaso to enter into an Outsourced Collection Agreement with  
16 Pacific Hospital, under which Jojaso would be paid fifteen percent of  
17 any monies collected by Pacific Hospital on patients referred for  
18 surgery to Pacific Hospital by defendant BARRI.

19       Overt Act No. 2:     On July 13, 2009, defendant BARRI sent an  
20 email message to Drobot inquiring about obtaining credentials for  
21 Surgeon C to perform spinal surgeries at Pacific Hospital.

22       Overt Act No. 3:     On or about June 14, 2011, defendant BARRI  
23 caused Jojaso to enter into an Outsourced Collection Agreement with  
24 Pacific Hospital under which Jojaso would be paid, within sixty days  
25 of surgery, fifteen percent of any monies collected, or estimated to  
26 be collected, on patients referred for surgery to Pacific Hospital by  
27 defendant BARRI.

1        Overt Act No. 4:        On or about June 16, 2011, defendant BARRI  
2 sent an email message to Drobot and Attorney A informing Drobot and  
3 Attorney A that the surgery to be performed at Pacific Hospital on  
4 June 22, 2011 by Surgeon D was the result of a referral by defendant  
5 BARRI.

6        Overt Act No. 5:        On or about January 27, 2012, defendant  
7 BARRI caused Jojaso to enter into Amendment One to Outsourced  
8 Collection Agreement, increasing the collection fee paid to Jojaso to  
9 twenty-five percent of any monies collected on patients referred for  
10 surgery to Pacific Hospital by defendant BARRI.

11       Overt Act No. 6:        On or about May 1, 2012, defendant BARRI  
12 caused Jojaso to enter into a Medical Office Sublease with Pacific  
13 Hospital for the medical office located at 2690 Pacific Avenue, Suite  
14 300, Long Beach, California.

15       Overt Act No. 7:        On or about June 11, 2012, defendant BARRI  
16 sent to Attorney A an invoice purported to be for collection services  
17 performed by Jojaso related to a spinal surgery performed on Patient  
18 A at Pacific Hospital.

19       Overt Act No. 8:        On or about November 28, 2012, Pacific  
20 Hospital sent to Jojaso a check for \$3,143 in connection with  
21 defendant BARRI's referral of Patient A to Pacific Hospital for  
22 spinal surgery.

23       Overt Act No. 9:        On or about May 29, 2013, Pacific Hospital  
24 sent to Jojaso a check for \$26,248.03.

25       Overt Act No. 10:       On or about June 14, 2012, Pacific Hospital  
26 sent to Jojaso a check for \$20,036.89.

27 //

28 //

1        Overt Act No. 11:    On or about July 2, 2013, Pacific Hospital  
2 sent to Jojaso a check for \$25,613.93.

3  
4                                EILEEN M. DECKER  
5                                United States Attorney

6  
7                                LAWRENCE S. MIDDLETON  
8                                Assistant United States Attorney  
                              Chief, Criminal Division

9                                DENNISE D. WILLETT  
10                               Assistant United States Attorney  
                              Chief, Santa Ana Branch Office

11                               JOSHUA M. ROBBINS  
12                               SCOTT D. TENLEY  
                              Assistant United States Attorneys

13                               ASHWIN JANAKIRAM  
14                               Special Assistant United States  
                              Attorney

CERTIFICATE OF SERVICE

I, Cristy Fillon, declare:

That I am a citizen of the United States and a resident of or employed in Orange County, California; that my business address is the Office of United States Attorney, 411 West 4<sup>th</sup> Street, Suite 8000, Santa Ana, California 92701; that I am over the age of 18; and that I am not a party to the above-titled action;

That I am employed by the United States Attorney for the Central District of California, who is a member of the Bar of the United States District Court for the Central District of California, at whose direction, on this date, January 25, 2016, I served a copy of the foregoing document(s): PLEA AGREEMENT

☐ Placed in a closed envelope for collection and inter-office delivery, addressed as follows:

☒ Placed in a sealed envelope for collection and mailing via United States mail, addressed as follows: SEE ATTACHED


☐ By hand delivery, addressed as follows:

☐ By facsimile, as follows:

☐ By messenger, as follows:

☐ By Federal Express, as follows:

This Certificate is executed on January 25, 2016, in Santa Ana, California. I certify under penalty of perjury that the foregoing is true and correct.

  
Cristy Fillon  
Legal Assistant



ATTACHMENT

*Jessica C. Munk*

*Senior Associate*

*Law Office of David W. Wiechert*

*115 Avenida Miramar*

*San Clemente, CA 92672*